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INFO ARAB ISRAELI COLLECTIVE
ARAB LEAGUE COLLECTIVE

C O N F I D E N T I A L CAIRO 006904

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NSC FOR WATERS

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TAGS: [PGOV](#) [PREL](#) [KDEM](#) [EG](#)

SUBJECT: MUBARAK SPEECH TO PARLIAMENT: LONG ON FORM, SHORT
ON SUBSTANCE

REF: A. CAIRO 6595

[1](#)B. CAIRO 6327

CLASSIFIED BY: ACTING DCM WILLIAM R. STEWART,
FOR REASONS 1.4 (B) AND (D).

[1](#)1. (SBU) SUMMARY: IN A MUCH-ANTICIPATED NOVEMBER 19 SPEECH BEFORE A JOINT SESSION OF PARLIAMENT AND THE SHOURA COUNCIL, PRESIDENT HOSNI MUBARAK STRESSED THAT FORTHCOMING CONSTITUTIONAL REFORMS WILL BE THE "BIGGEST AND WIDEST" SINCE 1980, BUT PROVIDED NO NEW DETAILS ON THE YET-TO-BE-UNVEILED PACKAGE OF AMENDMENTS HE PLANS TO SUBMIT TO PARLIAMENT DURING THE CURRENT SESSION. NDP INSIDERS TELL US THAT MUBARAK WILL LIKELY FORMALLY SEND THE PACKAGE TO PARLIAMENT IN LATE 2006 OR EARLY 2007. IN ADDRESSING THE STATE OF THE ECONOMY IN HIS REMARKS, MUBARAK HIGHLIGHTED "UNPRECEDENTED" MACROECONOMIC PERFORMANCE OVER THE PAST YEAR, CHARTED THE COURSE FOR FURTHER REFORMS, AND ADDRESSED THE NEED FOR THE STATE TO ENTICE INCREASED PRIVATE SECTOR PARTICIPATION. END SUMMARY.

[1](#)2. (SBU) MUBARAK, ECHOING STATEMENTS MADE AT SEPTEMBER'S NATIONAL DEMOCRATIC PARTY (NDP) PARTY CONFERENCE, PROMISED THAT HIS PLANNED CONSTITUTIONAL REFORMS WOULD ACHIEVE A "BALANCE" BETWEEN THE LEGISLATIVE AND EXECUTIVE BRANCHES, BOLSTER THE ROLE OF PARLIAMENT AND THE CABINET, REGULATE THE POWERS OF THE PRESIDENCY, INTRODUCE AN ELECTORAL SYSTEM THAT PROVIDES FOR GREATER DIVERSITY OF POLITICAL PARTIES AND GREATER PARLIAMENTARY REPRESENTATION OF WOMEN, CREATE A "NEW UNDERSTANDING OF" AND "GREATER DECENTRALIZATION OF AUTHORITIES TO" LOCAL COUNCILS, ALLOW FOR THE LIBERALIZATION OF THE ECONOMY, AND LAY THE GROUNDWORK FOR THE INTRODUCTION OF A NEW ANTI-TERROR LAW. HE REPRISED HIS PREVIOUS COMMENTS TO NDP PARLIAMENTARIANS (REF A) ON HIS PLANS TO PROPOSE THE AMENDMENT OF CONSTITUTIONAL ARTICLE 76 SO AS TO ALLOW FOR "GREATER POLITICAL PARTY PLURALISM AND ENRICHING OF THE PEOPLE'S DEMOCRATIC EXPERIMENT."

[1](#)3. (SBU) MUBARAK HIGHLIGHTED THE CONTINUING CENTRALITY OF THE MIDDLE EAST PEACE PROCESS, AND ALSO STATED THAT EGYPT "STANDS BY THE SIDE OF IRAQ IN ITS ORDEAL," WHILE STRESSING CAIRO'S COMMITMENT TO IRAQ'S INDEPENDENCE AND UNITY. HE ALSO TOOK THE OPPORTUNITY TO BEAT THE DRUM OF EGYPT'S NASCENT NUCLEAR ENERGY PROGRAM - "WE MUST PROTECT THE RIGHTS OF FUTURE GENERATIONS ... AND AS WE MOVE FORWARD WITH THIS PROJECT, WE WILL NOT WAIT FOR PERMISSION FROM ANYONE!" HE ALSO NOTED, TO THUNDEROUS APPLAUSE, THAT HE PLANNED TO REMAIN AS PRESIDENT "AS LONG AS I HAVE A HEART THAT BEATS, AND BREATH IN MY BODY," AND "AS PRESIDENT, I WILL NOT BOW TO ANY PRESSURES OR TO ANYONE - I WILL ONLY KNEEL TO GOD!"

[1](#)4. (SBU) IN ADDRESSING THE STATE OF THE ECONOMY, MUBARAK HIGHLIGHTED "UNPRECEDENTED" MACROECONOMIC PERFORMANCE OVER THE PAST YEAR, AND ADDRESSED THE NEED FOR THE STATE TO ENTICE

INCREASED PRIVATE SECTOR PARTICIPATION. NOTABLE AMONG HIS COMMENTS WAS HIS EMPHASIS ON REDEFINING THE ROLE OF THE STATE IN THE ECONOMY FROM INVESTOR TO THAT OF REGULATOR, AND CALLING FOR ADDITIONAL REFORMS, SUCH AS NEW CUSTOMS AND TAX AMENDMENTS, TO STRENGTHEN THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC DEVELOPMENT. DETAILS WERE FEW ON HOW THE INVESTMENT CLIMATE WAS TO BE IMPROVED, BUT HE DID SPECIFICALLY CALL FOR A "SPECIAL CADRE LAW FOR TEACHERS" AIMED AT UPGRADING THE QUALITY OF EDUCATION DELIVERY AS WELL AS A "CIVIL SERVANTS CODE" THAT WOULD SEEK TO COMBAT CORRUPTION, INCREASE ACCOUNTABILITY, AND RAISE THE PERFORMANCE OF PUBLIC SECTOR EMPLOYEES. NO SPECIFIC MENTION WAS MADE OF ANTICIPATED LEGISLATION SUCH AS AMENDING THE SALES TAX LAW OR EGYPTIAN ACCOUNTING STANDARDS.

15. (SBU) MUBARAK ALSO TOUCHED ON MORE POPULIST THEMES, SAYING HE WAS "AWARE" OF COST INCREASES IN FOOD, EDUCATION, HEALTH, WATER, TRANSPORTATION AND HOUSING, AND DIRECTED THE GOVERNMENT TO IMPROVE PUBLIC SERVICE DELIVERY AND BETTER TARGET SUBSIDIES IN THESE AREAS. HE DIRECTED THE GOVERNMENT TO ADDRESS THE NEED FOR ECONOMIC DEVELOPMENT IN UPPER EGYPT IN PARTICULAR, FOCUSING ON THE PROVISION OF WATER, HEALTH, EDUCATION, WASTE AND OTHER PUBLIC SERVICES TO THE MOST IMPOVERISHED AND UNDERPRIVILEGED VILLAGES. GIVEN EGYPT'S SUCCESSFUL ECONOMIC REFORMS, HE STATED, EFFECTIVE DELIVERY OF THESE BASIC SERVICES WOULD FORM THE "PIVOTAL ROLE" OF THE GOVERNMENT AS IT SEEKS TO "CONSTRICT POVERTY."

16. (C) COMMENT: WHILE STRIKING A POSITIVE OVERALL TONE ON REFORM, MUBARAKS RHETORIC DID NOT BREAK ANY NEW GROUND, MOVE BEYOND BROAD GENERALITIES REGARDING ANTICIPATED CONSTITUTIONAL CHANGES, NOR SPECIFY WHEN THE PROPOSED AMENDMENTS PACKAGE WILL BE SENT TO PARLIAMENT FOR DEBATE. (NOTE: PER REF B, THE PRESIDENT MUST FORMALLY SUBMIT ANY PROPOSED CONSTITUTIONAL AMENDMENTS TO PARLIAMENT, WHICH THEN DEBATES THE PROPOSED REFORMS FOR TWO MONTHS BEFORE VOTING; IF THE AMENDMENTS ARE APPROVED BY PARLIAMENT, THEY ARE THEN PUT TO A NATIONAL REFERENDUM. END NOTE). NDP INSIDERS TELL US THAT "THERE ARE STILL SIGNIFICANT DETAILS TO BE WORKED OUT" ON VARIOUS AMENDMENTS, BUT THAT WE CAN EXPECT THE PACKAGE TO BE SENT TO PARLIAMENT BY THE END OF THE YEAR, OR EARLY 2007.

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